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ASIA TELEMEDIA LIMITED

(In Liquidation)

亞洲電信媒體有限公司

(清盤中)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Asia TeleMedia Limited (In Liquidation) (the “Company”) will be held at the Auditorium, Duke of Windsor Social Service Building, 15 Hennessy Road, Wanchai, Hong Kong on 21 July 2011 at 11:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions of the Company:

ORDINARY RESOLUTIONS

HOLDING OF ANNUAL GENERAL MEETING

1. “**THAT** this EGM be treated as the annual general meeting of the Company for the four years ended 31 December 2007, 31 December 2008, 31 December 2009 and 31 December 2010.”

APPROVAL OF AUDITED FINANCIAL STATEMENTS

2. “To receive and consider the audited financial statements and the reports of Messrs Edward Simon Middleton and Patrick Cowley (the “**Joint and Several Liquidators**”, being the joint and several liquidators of the Company) and auditors for the four years ended 31 December 2007, 31 December 2008, 31 December 2009 and 31 December 2010.”

APPOINTMENT OF AUDITORS

3. “To ratify the appointment of auditors of the Company and the remuneration of the auditors for the four years ended 31 December 2007, 31 December 2008, 31 December 2009 and 31 December 2010.”
4. “To re-appoint auditors of the Company and authorise the Joint and Several Liquidators and (after the release and discharge of the Joint and Several Liquidators by the Court) the directors of the Company (the “**Directors**”) to fix their remuneration.”

RESTRUCTURING AGREEMENT

5. “**THAT**
 - a. the restructuring agreement (the “**Restructuring Agreement**”), a copy of which has been produced to this meeting marked “A”, and signed by the chairman of this meeting for identification purpose) dated 15 April 2011 and entered into among the Company, the Joint and Several Liquidators, Gainhigh Holdings Limited (the “**Investor**”) and Mr. Ko Chun Shun Johnson in relation to the restructuring of the Company, the transactions contemplated thereunder, and the performance thereof by the Company be and are hereby approved, confirmed and ratified; and
 - b. the Joint and Several Liquidators and (after the release and discharge of the Joint and Several Liquidators by the Court) the Directors be and are hereby authorised generally to take all necessary steps and to do all other things and execute all documents (including the affixation of the common seal of the Company where execution under seal is required) which may be necessary or desirable for the purpose of giving effect to the terms of the Restructuring Agreement, including without limiting the foregoing, to complete the transactions contemplated under the Restructuring Agreement.”

CAPITAL RESTRUCTURING

6. “**THAT** conditional upon the resolution numbered 14 as set out in this notice being passed, the relevant sanction from the Court in relation to the Capital Reduction (as defined in resolution numbered 14 as set out in this notice) having been obtained, and the grant of the listing of and permission to deal in the Consolidated Shares (as defined below) and the New Shares (as defined in resolution numbered 14 below) by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”):
- a. every fifty issued and unissued ordinary shares of the Company of HK\$0.20 each (“**Shares**”) be consolidated into one ordinary share of HK\$10 each (“**Consolidated Shares**”) (“**Share Consolidation**”);
 - b. subject to the Share Consolidation and the Capital Reduction (as defined in resolution numbered 14 as set out in this notice) having become effective, the unissued share capital in the authorised share capital of HK\$400,000,000 be cancelled and diminished resulting in an authorised and issued share capital of HK\$308,701.45 (“**Capital Cancellation**”);
 - c. immediately upon the Capital Cancellation becoming effective, the Company’s authorised share capital be increased from HK\$308,701.45 to HK\$20,000,000 divided into 2,000,000,000 New Shares;
 - d. fractional entitlements as a result of the capital restructuring as set out in the foregoing paragraphs of this resolution will be aggregated and sold for the benefit of the Company. The net proceeds from such sale will be used as additional working capital of the Company;
 - e. all of the New Shares (as defined in resolution numbered 14 as set out in this notice) in the capital of the Company after completion of the capital restructuring as set out in the foregoing paragraphs of this resolution shall rank pari passu in all respects with each other and have the same rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company; and
 - f. the Joint and Several Liquidators be and are hereby authorised to do all such other things and acts and execute all such other documents (including the affixation of the common seal of the Company where execution under seal is required) which may be necessary or desirable for the purpose of giving effect to or implementing any of the foregoing.”

SUBSCRIPTION AGREEMENT

7. “THAT:

- a. the subscription agreement (the “**Subscription Agreement**”, a copy of which has been produced to this meeting marked “B”, and signed by the chairman of this meeting for identification purpose) dated 7 June 2011 and entered into among the Company, the Joint and Several Liquidators and the Investor in relation to (i) the issue of 128,225,806 New Shares (as defined in resolution numbered 14 as set out in this notice) to the Investor at the aggregate consideration of HK\$79,500,000 (equivalent to approximately HK\$0.62 per New Share (as defined in resolution numbered 14 as set out in this notice) (the “**Subscription Shares**”)); and (ii) the issue of non-interest bearing, non-redeemable 5-year to mature convertible notes of aggregate principal amount of HK\$92,500,000 with the initial conversion price of HK\$0.62 per New Share (as defined in resolution numbered 14 as set out in this notice) (the “**Investor Convertible Notes**”) and the transactions contemplated thereunder, and the performance thereof by the Company be and are hereby approved, confirmed and ratified;
- b. the allotment and issue of the Subscription Shares pursuant to the terms of the Subscription Agreement be and are hereby approved;
- c. the creation and issue of the Investor Convertible Notes pursuant to the terms of the Subscription Agreement and the allotment and issue of New Shares upon the exercise of the conversion rights attaching to the Investor Convertible Notes pursuant to the terms thereof be and are hereby approved; and
- d. the Joint and Several Liquidators and (after the release and discharge of the Joint and Several Liquidators by the Court) the Directors be and are hereby authorised generally to take all necessary steps and to do all other things and execute all documents (including the affixation of the common seal of the Company where execution under seal is required) which may be necessary or desirable for the purpose of giving effect to the terms of the Subscription Agreement, including without limiting the foregoing, to complete the transactions contemplated under the Subscription Agreement.”

WHITEWASH WAIVER

8. “**THAT**, the waiver (the “**Whitewash Waiver**”), granted or to be granted by the Executive Director (the “**Executive**”) of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong pursuant to Note 1 on Dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers waiving any obligation on the part of the Investor and parties acting in concert with it, to make a general offer for all the issued shares of the Company not already owned or agreed to be acquired by them pursuant to the Restructuring Agreement and the Subscription Agreement and the transactions contemplated therein, be and is hereby approved, and the Joint and Several Liquidators be and are hereby authorised to the extent that they have authority so to act, to do all such things and take all such action and execute all documents (including the affixation of the common seal of the Company where execution under seal is required) as they may consider to be necessary or desirable to give effect to any of the matters relating to, or incidental to, the Whitewash Waiver.”

SPECIAL DEALS

9. “**THAT** subject to the Executive, or any delegate of the Executive giving consent to the Special Deals (as defined in the circular of the Company dated 28 June 2011 (the “**Circular**”)), (the “**Consent**”), a copy of which has been produced to the EGM marked “C” and signed by the chairman of this meeting for identification purpose and the satisfaction of any condition attached to such Consent, the Special Deals on terms and conditions as set out in the Circular be and is hereby approved.”

REMOVAL OF ALL EXISTING DIRECTORS

10. “**THAT**, conditional upon completion of the Restructuring Agreement and with effect thereof,
 - a. Mr. Lu Ruifeng and Mr. Yiu Hoi Ying be and are hereby removed as the executive Directors of the Company; and
 - b. Mr. Lu Ning and Mr. Li Chun be and are hereby removed as independent non-executive Directors of the Company and that the register of directors be amended to note such removal of Directors.”

APPOINTMENT OF DIRECTORS

11. “**THAT**, conditional upon the completion of the Restructuring Agreement and with effect thereof:
- a. Mr. Ko Chun Shun, Johnson, Mr. Tsoi Tong Hoo, Tony, Miss Ko Wing Yan, Samantha, Ms. Angelina Kwan, Mr. Zhang Binghua and Mr. Chen Shengjie be and are hereby appointed as executive Directors of the Company;
 - b. Mr. Liu Zhengui, Mr. Ding Hebai and Mr. Chu Chung Yue, Howard be and are hereby appointed as independent non-executive Directors of the Company; and
 - c. the board of directors of the Company be authorised to fix remuneration of the Directors and that the register of directors of the Company be amended to note such appointment of Directors as set out above.”

GENERAL MANDATE

12. “**THAT**, conditional upon the completion of the Restructuring Agreement and with effect thereof:
- a. Subject to paragraph (b) below, the Directors be and are hereby generally and unconditionally authorised to exercise during the Relevant Period (as defined below) all powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require the exercise of any such powers during or after the end of the Relevant Period;
 - b. The aggregate nominal amount of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to paragraph (a) above, other than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of ordinary shares of the Company upon the exercise of rights of subscription or conversion under the terms of any securities which are convertible into ordinary shares of the Company; (iii) an issue of ordinary shares by way of scrip dividend pursuant to the articles of association of the Company from time to time; or (iv) the exercise of any

option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible participants of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire, shares of the Company; shall not exceed 20% of the issued share capital of the Company as at the date of passing this resolution;

- c. For the purpose of this resolution, “**Relevant Period**” means the period from completion of the Restructuring Agreement until the earliest of the following:
- i. the conclusion of the next annual general meeting of the Company; or
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
 - iii. the date on which the authority set out under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the Company made to holders of shares in the capital of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or requirements of, any recognised body or any stock exchange in, any territory outside Hong Kong).”

SHARE OPTION SCHEME

13. “**THAT**, conditional upon and with effect from the completion of the Restructuring Agreement, the rules of the share option scheme (the “**Share Option Scheme**”), a copy of which has been produced to the EGM marked “D” and signed by the chairman of this meeting for identification purpose, be and is hereby approved and adopted and the Directors be and are hereby authorised to grant options to subscribe for shares of the Company thereunder and to allot and issue new shares of the Company pursuant thereto and to take all such steps and attend all such matters, approve and execute (whether

under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Share Option Scheme, including without limitation,

- a. administering the Share Option Scheme;
- b. modifying and/or amending the Share Option Scheme from time to time provided that such modification and/or amendment was effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and the requirements of the Listing Rules;
- c. granting options under the Share Option Scheme and allotting and issuing from time to time any new shares of the Company pursuant to the exercise of the options that may be granted under the Share Option Scheme with an aggregate number not exceeding 10% of the total nominal value of the share capital of the Company in issue as at the date of passing this resolution; and
- d. making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any new shares of the Company or any part thereof that may hereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the Share Option Scheme.”

SPECIAL RESOLUTIONS

CAPITAL REDUCTION

14. “**THAT**, conditional upon the resolutions numbered 5 and 6 as set out in this notice being passed, the grant of the listing of and permission to deal in the Consolidated Shares (as defined in resolution numbered 6 as set out in this notice) and the New Shares (as defined below) by the Stock Exchange and upon the Share Consolidation (as defined in resolution numbered 6 as set out in this notice) having become effective:
 - a. the par value of each issued and unissued Consolidated Share (as defined in resolution numbered 6 as set out in this notice) be reduced from HK\$10.00 to HK\$0.01 (“**New Shares**”) and the credit arising from such cancellation and reduction will be applied to eliminate the accumulated losses of the Company (“**Capital Reduction**”);

- b. the amount which shall arise as a result of Capital Reduction be applied in such manner as permitted by the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the memorandum and articles of association of the Company; and
- c. the Joint and Several Liquidators be and are hereby authorised to do all such other things and acts and execute all such other documents (including the affixation of the common seal of the Company where execution under seal is required) which may be necessary or desirable for the purpose of giving effect to or implementing any of the foregoing.”

AMENDMENT OF ARTICLES OF ASSOCIATION

15. “**THAT** the articles of association of the Company be amended as follows:

- a. Article 94 be deleted in its entirety and replaced by the following:

“94. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.”

- b. the words ‘to his knowledge’ be deleted in the first sentence of Article 102(B)(v);

- c. Article 103(A) be deleted in its entirety and replaced by the following:

‘103(A). Subject to the manner of retirement by rotation of directors of the Company as from time to time prescribed under the rules and regulations governing the listing of securities on the Stock Exchange and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election.’

d. The following Articles 158A and 158B be added immediately after Article 158:

‘158A. Without prejudice to the rights of the Company under Article 158, the Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

158B. The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of member who is untraceable, but no such sale shall be made unless:

- (i) all cheques or warrant, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed provided that during the relevant period the Company has paid at least three dividends (whether interim or final) and no dividend in respect of such shares has been claimed by the person entitled to it;
- (ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; or
- (iii) the Company has caused any advertisement to be inserted in English in an English language newspaper and in Chinese in a Chinese language newspaper giving notice of its intention to sell such shares and has notified the Stock Exchange of such intention and a period of three months has lapsed since the date of such advertisement.

For the purpose of the foregoing, “relevant period” means the period commencing twelve years before the date of publication of the advertisement referred to in paragraph (iii) of this Article and ending on the expiry of the period referred to in that paragraph.

To give effect to any such sale the Board may authorise any person to transfer the said shares and instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.’”

For and on behalf of
Asia TeleMedia Limited
(In Liquidation)
Edward Simon Middleton
Patrick Cowley
Joint and Several Liquidators
acting as agents without personal liability

Hong Kong, 28 June 2011

Notes:

- 1 A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
- 2 Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the company in respect of such Shares shall alone be entitled to vote in respect thereof.
- 3 In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, (if any), under which it is signed or a certified copy thereof must be delivered to the share registrar the Company, Computershare Hong Kong Investor Services Limited at 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment meeting (as the case may be).
- 4 Completion and return of the form of proxy shall not preclude shareholders from attending and voting in person at the EGM or at any adjourned meeting (as the case may be) or upon the poll concerned if they so wish. In such event, the instrument appointing the proxy shall be deemed to be revoked.
- 5 Shareholders whose names are held through Central Clearing and Settlement System or licensed securities dealer should contact their nominees if they would like to vote.
- 6 In relation to resolution numbered 12 above, approval is being sought from the shareholders of the company for the grant to the Directors of a general mandate to authorise the allotment, issue and dealing with additional shares in the capital of the Company under the Listing Rules.
- 7 Resolutions numbered 5, 7 to 9 shall be voted by way of a poll of the Independent Shareholders (as defined in the Circular).

As at the date of this notice, the Board of the Company comprises two executive directors, namely Mr. Lu Ruifeng and Mr. Yiu Hoi Ying, and two independent non-executive directors, namely Mr. Li Chun and Mr. Lu Ning.